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Peabody Housing Community in Danger of Converting to Market Rates Will Remain Affordable for Lower-Income Residents for at Least 45 Years as a Result of \$49.3 Million in MassHousing Financing

The 284-unit The Tannery has been purchased by the WinnCompanies, ensuring that 235 apartments will remain affordable to lower-income households and former Section 13A tenants for the long term

BOSTON – July 15, 2019 – MassHousing has closed on \$49.3 million in affordable housing financing to [WinnCompanies](#), to preserve affordability for lower-income households at The Tannery in Peabody. WinnCompanies purchased the 284-unit affordable housing community under Chapter 40T, preventing the conversion of affordable apartments to market rates and protecting the tenancies of dozens of low-income residents.

The MassHousing financing will enable the Boston-based WinnCompanies to preserve affordability at The Tannery for at least 45 years. The transaction will also result in substantial rehabilitation to the property.

“This is a terrific outcome for the lower-income residents of The Tannery, who will continue to be able to live affordably in downtown Peabody,” **said MassHousing Executive Director Chrystal Kornegay**. “Everyone involved in this transaction was committed to making sure that The Tannery did not convert to market rates and remained a long-term source of affordable housing in Peabody.”

“We’re pleased to be in position to preserve the affordability of this community at a time when more properties like it are so desperately needed in greater Boston,” **said Larry Curtis, president of WinnDevelopment**. “The Tannery acquisition was a true team effort under MassHousing’s leadership and we are looking forward to starting a new chapter for this important asset.”

“The sale of The Tannery to Winn will enable many low-income Peabody residents to remain in their homes and continue to be part of our community,” **said Mayor Edward Bettencourt Jr.** “It will also secure a significant portion of Peabody’s affordable housing stock for decades to come.”

MassHousing is providing the WinnCompanies with a \$28.3 million construction and permanent mortgage, \$17 million in bridge loan financing, and \$4 million in Section 13A preservation and tenant protection financing.

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The transaction resolved the expired Section 13A affordable financing on 235 units at The Tannery, creating residency protection for the existing 13A legacy tenants.

The Commonwealth's Section 13A program was created by the Massachusetts Legislature in the 1970s to provide low-interest mortgage financing to affordable housing communities. Today, 13A communities serve some of the lowest-income and most vulnerable populations in Massachusetts, including many elderly residents. The mortgages on these 13A housing communities are nearing maturity, and no federal resources are available for their preservation. In response, MassHousing and the [Massachusetts Department of Housing and Community Development](#) (DHCD) have committed a total of \$100 million in capital to help protect vulnerable residents and preserve affordable 13A units that otherwise could convert to market rates.

DHCD additionally provided \$9 million in Section 13A specific financing and allocated federal and state Low-Income Housing Tax Credits that generated approximately \$25.5 million in equity for the transaction. Additional financing sources include \$1.7 million from the City of Peabody, \$1.3 million in net operating income during construction and a \$1.1 million deferred developer fee.

WinnCompanies purchased The Tannery through Chapter 40T, a state law designed to help prevent affordable housing from being sold and converted to market-rate rents. DHCD administers Chapter 40T and has the right of first refusal to purchase publicly subsidized housing through a designee such as WinnCompanies.

The Tannery was built in the late 1800s as an industrial leather tanning complex and was home to the former AC Lawrence Tannery for many years. The property was converted to housing in the 1970s and originally financed by MassHousing through the Section 13A program.

Of the 284 apartments, 84 will be subsidized through the Massachusetts Rental Voucher Program, 116 apartments will be affordable for households earning at or below 60 percent of the Area Median Income (AMI), 35 apartments will be affordable for households earning at or below 80 percent of AMI, and 49 apartments will be rented at market rates. The AMI for Peabody is \$113,300 for a family of four.

There are 20 studio apartments, 234 one-bedroom apartments and 30 two-bedroom apartments contained in three residential buildings, including a seven-story building on Crowninshield Street in downtown Peabody. The community is being managed by WinnResidential, the nation's largest operator of affordable housing.

"We expect to announce our plans for the renovation of The Tannery later this month," said WinnDevelopment Senior Vice President Adam Stein. "The support we have received from MassHousing and the Bettencourt Administration will be re-invested in an improved quality of life for residents for years to come."

MassHousing has financed four rental communities in Peabody involving 905 housing units and \$109.5 million in total financing. The Agency has also provided home mortgage financing to 811 Peabody homeowners involving \$147.9 million in total financing.

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About WinnCompanies

[WinnCompanies](http://www.winncompanies.com) is an award-winning national developer and manager of high-impact affordable, middle income and market rate housing communities. Supported by 3,000 team members, the company acquires, develops and manages affordable, senior, mixed-income, market rate, military and mixed-use properties. Founded in 1971 and operating in 22 states and the District of Columbia, WinnCompanies is one of the nation's leading multi-family housing managers with 100,000 units under management.

www.winncompanies.com

About MassHousing

MassHousing (The Massachusetts Housing Finance Agency) is an independent, quasi-public agency created in 1966 and charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners, and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. Since its inception, MassHousing has provided more than \$23.9 billion for affordable housing. For more information, visit the MassHousing website at www.masshousing.com, follow us on Twitter [@MassHousing](https://twitter.com/MassHousing), subscribe to our [blog](#) and Like us on [Facebook](#).

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